



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON,

INFORMATIONAL LETTER NO 744

TO: Iowa Medicaid Hospital Providers

ISSUED BY: The Iowa Department of Human Services, Iowa Medicaid Enterprise

DATE: September 17, 2008

RE: Hospital Desk Review

EFFECTIVE: January 2009

The Code of Federal Regulations mandates hospital utilization control processes. CFR 42, Part 456, Subpart C, prescribes requirements for hospitals to control utilization of inpatient hospital services. Utilization control processes can be run by the state or by the individual hospitals; in Iowa, these processes are run by the hospital and the state has no intention of changing this process. However, the regulations specifically require oversight by the state of any utilization process run by the hospital. Iowa Medicaid Enterprise (IME) Medical Services Unit must oversee the processes that are in place for all Iowa hospitals. Medical Services will complete this requirement by instituting desk reviews of all Iowa hospital utilization control processes.

A copy of these Federal Regulations have been enclosed for your review (Attachment 1). The IME assumes that all hospitals in the state of Iowa currently have in place structured utilization control processes.

Beginning in January 2009, a team from the Medical Services unit will assume a role in verifying completeness of existing hospital utilization control processes. The team will consist of utilization review coordinators, program specialists, and the Medicaid Medical Director. A comprehensive baseline desk review will be completed for each hospital in the state of Iowa during 2009. Documentation from all hospitals should be forwarded to Medical Services' Hospital Utilization Review Team by April 1, 2009.

Medical Services staff will conduct a desk review of each hospital's utilization control process by utilizing a worksheet developed from the Federal Regulations to ensure that each hospital in the state has documented policies and procedures in place to fulfill the Regulations.

Documentation that will be required to be submitted will include certification of need for care, plan of care, utilization review plan, continued stay review evaluation criteria, and medical care evaluation studies. A detailed listing of the specific areas for which documentation will be required is included with this correspondence (Attachment 2).

After the 2009 baseline review, a desk review will be completed for each hospital in the state of Iowa every three (3) years. The schedule for the triennial review will be randomly selected (based on the results of the baseline review) and your facility will be notified of the upcoming review seven (7) days in advance of the review.

The documentation requested will enable a desk review of existing utilization policies, procedures, reporting, and current practices from the Federal Regulation in 42 CFR 456 Subpart C.

For questions related to the desk review process, please contact Medical Services Unit at 1-800-383-1173 or locally at 515-725-1008.

42 CFR 456.500(a)(b)(c) and 456.501(a)(b) prescribes conditions for the availability of FFP as it relates to UR plans.

[Code of Federal Regulations]
[Title **42**, Volume 3]
[Revised as of October 1, 2004]
From the U.S. Government Printing Office via GPO Access
[CITE: 42CFR456]

[Page 324-360]

TITLE 42--PUBLIC HEALTH

**CHAPTER IV--CENTERS FOR MEDICARE & MEDICAID SERVICES, DEPARTMENT OF
HEALTH AND HUMAN SERVICES (CONTINUED)**

PART 456_UTILIZATION CONTROL

Subpart A_General Provisions

Sec.

- 456.1** Basis and purpose of part.
- 456.2** State plan requirements.
- 456.3** Statewide surveillance and utilization control program.
- 456.4** Responsibility for monitoring the utilization control program.
- 456.5** Evaluation criteria.
- 456.6** Review by State medical agency of appropriateness and quality of services.

Subpart B_Utilization Control: All Medicaid Services

- 456.21** Scope.
- 456.22** Sample basis evaluation of services.
- 456.23** Post-payment review process.

Subpart C_Utilization Control: Hospitals

- 456.50** Scope.
- 456.51** Definitions.

Certification of Need for Care

- 456.60** Certification and recertification of need for inpatient care.

Plan of Care

- 456.80** Individual written plan of care.

Utilization Review (UR) Plan: General Requirement

- 456.100** Scope.
- 456.101** UR plan required for inpatient hospital services.

UR Plan: Administrative Requirements

- 456.105** UR committee required.
- 456.106** Organization and composition of UR committee; disqualification from UR committee membership.

UR Plan: Informational Requirements

- 456.111** Recipient information required for UR.
- 456.112** Records and reports.

456.113 Confidentiality.

UR Plan: Review of Need for Admission

- 456.121** Admission review required.
- 456.122** Evaluation criteria for admission review.
- 456.123** Admission review process.
- 456.124** Notification of adverse decision.
- 456.125** Time limits for admission review.
- 456.126** Time limits for final decision and notification of adverse decision.
- 456.127** Pre-admission review.
- 456.128** Initial continued stay review date.
- 456.129** Description of methods and criteria: Initial continued stay review date; close professional scrutiny; length of stay modification.

UR Plan: Review of Need for Continued Stay

- 456.131** Continued stay review required.
- 456.132** Evaluation criteria for continued stay.
- 456.133** Subsequent continued stay review dates.

[[Page 325]]

- 456.134** Description of methods and criteria: Subsequent continued stay review dates; length of stay modification.
- 456.135** Continued stay review process.
- 456.136** Notification of adverse decision.
- 456.137** Time limits for final decision and notification of adverse decision.

UR Plan: Medical Care Evaluation Studies

- 456.141** Purpose and general description.
- 456.142** UR plan requirements for medical care evaluation studies.
- 456.143** Content of medical care evaluation studies.
- 456.144** Data sources for studies.
- 456.145** Number of studies required to be performed.

Subpart D Utilization Control: Mental Hospitals

- 456.150** Scope.
- 456.151** Definitions.

Certification of Need for Care

- 456.160** Certification and recertification of need for inpatient care.

Medical, Psychiatric, and Social Evaluations and Admission Review

- 456.170** Medical, psychiatric, and social evaluations.
- 456.171** Medicaid agency review of need for admission.

Plan of Care

- 456.180** Individual written plan of care.
- 456.181** Reports of evaluations and plans of care.

Utilization Review (UR) Plan: General Requirement

456.200 Scope.

456.201 UR plan required for inpatient mental hospital services.

UR Plan: Administrative Requirements

456.205 UR committee required.

456.206 Organization and composition of UR committee; disqualification from UR committee membership.

UR Plan: Informational Requirements

456.211 Recipient information required for UR.

456.212 Records and reports.

456.213 Confidentiality.

UR Plan: Review of Need for Continued Stay

456.231 Continued stay review required.

456.232 Evaluation criteria for continued stay.

456.233 Initial continued stay review date.

456.234 Subsequent continued stay review dates.

456.235 Description of methods and criteria: Continued stay review dates; length of stay modification.

456.236 Continued stay review process.

456.237 Notification of adverse decision.

456.238 Time limits for final decision and notification of adverse decision.

UR Plan: Medical Care Evaluation Studies

456.241 Purpose and general description.

456.242 UR plan requirements for medical care evaluation studies.

456.243 Content of medical care evaluation studies.

456.244 Data sources for studies.

456.245 Number of studies required to be performed.

Subpart E [Reserved]

Subpart F Utilization Control: Intermediate Care Facilities

456.350 Scope.

456.351 Definition.

Certification of Need for Care

456.360 Certification and recertification of need for inpatient care.

Medical, Psychological, and Social Evaluations and Admission Review

456.370 Medical, psychological, and social evaluations.

456.371 Exploration of alternative services.

456.372 Medicaid agency review of need for admission.

Plan of Care

456.380 Individual written plan of care.

456.381 Reports of evaluations and plans of care.

Utilization Review (UR) Plan: General Requirement

456.400 Scope.

456.401 State plan UR requirements and options; UR plan required for intermediate care facility services.

UR Plan: Administrative Requirements

456.405 Description of UR review function: How and when.

456.406 Description of UR review function: Who performs UR; disqualification from performing UR.

456.407 UR responsibilities of administrative staff.

UR Plan: Informational Requirements

456.411 Recipient information required for UR.

[[Page 326]]

456.412 Records and reports.

456.413 Confidentiality.

UR Plan: Review of Need for Continued Stay

456.431 Continued stay review required.

456.432 Evaluation criteria for continued stay.

456.433 Initial continued stay review date.

456.434 Subsequent continued stay review dates.

456.435 Description of methods and criteria: Continued stay review dates.

456.436 Continued stay review process.

456.437 Notification of adverse decision.

456.438 Time limits for notification of adverse decision.

Subpart G Inpatient Psychiatric Services for Individuals Under Age 21:
Admission and Plan of Care Requirements

456.480 Scope.

456.481 Admission certification and plan of care.

456.482 Medical, psychiatric, and social evaluations.

Subpart H Utilization Review Plans: FFP, Waivers, and Variances for
Hospitals and Mental Hospitals

456.500 Purpose.

456.501 UR plans as a condition for FFP.

UR Plan: Waiver of Requirements

456.505 Applicability of waiver.

456.506 Waiver options for Medicaid agency.

456.507 Review and granting of waiver requests.

456.508 Withdrawal of waiver.

UR Plan: Remote Facility Variances from Time Requirements

456.520 Definitions.

456.521 Conditions for granting variance requests.

456.522 Content of request for variance.

456.523 Revised UR plan.

456.524 Notification of Administrator's action and duration of variance.

456.525 Request for renewal of variance.

Subpart I Inspections of Care in Intermediate Care Facilities and

Institutions for Mental Diseases

- 456.600 Purpose.
- 456.601 Definitions.
- 456.602 Inspection team.
- 456.603 Financial interests and employment of team members.
- 456.604 Physician team member inspecting care of recipients.
- 456.605 Number and location of teams.
- 456.606 Frequency of inspections.
- 456.607 Notification before inspection.
- 456.608 Personal contact with and observation of recipients and review of records.
- 456.609 Determinations by team.
- 456.610 Basis for determinations.
- 456.611 Reports on inspections.
- 456.612 Copies of reports.
- 456.613 Action on reports.
- 456.614 Inspections by utilization review committee.

Subpart J_Penalty for Failure To Make a Satisfactory Showing of An Effective Institutional Utilization Control Program

- 456.650 Basis, purpose, and scope.
- 456.651 Definitions.
- 456.652 Requirements for an effective utilization control program.
- 456.653 Acceptable reasons for not meeting requirements for annual on-site review.
- 456.654 Requirements for content of showings and procedures for submittal.
- 456.655 Validation of showings.
- 456.656 Reductions in FFP.
- 456.657 Computation of reductions in FFP.

Documentation required for the desk review will include policies and procedures for each of the following areas: (42 CFR 456)

- 456.60(a)
 - Physician or physician assistant (PA) order at time of admission
 - 456.60(b)
 - Physician or PA recertification at least every 60 days
- 456.80(a)(b)(1)
 - Diagnoses, symptoms, complaints, and complications indicating need for admission.
 - 456.80(a)(b)(2)
 - Functional level of care
 - 456.80(a)(b)(3)(i)
 - Medications
 - 456.80(a)(b)(3)(ii)
 - Treatments
 - 456.80(a)(b)(3)(iii)
 - Restorative and rehabilitative services
 - 456.80(a)(b)(3)(iv)
 - Activities
 - 456.80(a)(b)(3)(v)
 - Social services
 - 456.80(a)(b)(3)(vi)
 - Diet
 - 456.80(a)(b)(4)
 - Continuing care plans
 - 456.80(a)(b)(c)(d)(e)
 - Discharge plans
- 456.105; 456.106;
456.112(a)(b)
 - Utilization review plan
 - Administrative requirements
 - UR committee – organization, composition, functions, meeting frequency, minutes, reporting responsibilities
 - Informational requirements
 - Medical record requirements
 - Confidentiality policies and procedures
 - Admission review
 - Evaluation criteria for admission
 - Admission review process
 - Notice of adverse decision process
 - Time limits for admission review
 - 456.111
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.113
 - Medical care evaluation studies
 - Methodology for selection
 - Data used to perform studies
 - Analysis of patterns of care (admissions, durations of stay, ancillary services, professional services)
 - Analysis of findings
 - Plans for corrective action
 - Number of studies required
 - 456.101, 456.121-127
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.101, 456.121
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.123(a)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.124(a)-(e)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.125
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.128(b)(1)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.128
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.136(a)-(e)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.128(c)(3)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.142(a)(b)(1)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.144
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.143(a)(b)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.142(b)(3)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.142(b)(4)
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay
 - 456.145
 - Continued stay review
 - Evaluation criteria for continued stay
 - Continued stay review process
 - Notice of adverse decision process
 - Time limits for continued stay